

Sales Tax Exemptions Slated For and Under Consideration For Elimination

	A	B	C	D
1	Current Sales Tax Exemptions To Be Eliminated	Biennial Savings		
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3	Publications Sold on Short Intervals	\$9,837,334		
4	Sales to Private schools and Colleges	\$500,000		
5	Sales to Regularly Organized Churches	\$2,807,208		
6	Sales to Institutions Conducting Medical Research or Scientific Study in Biology	\$500,000		
7	Camp Rentals	\$100,000		
8	Funeral Services	\$5,991,986		
9	Sales through coin operated vending machines	\$1,365,583		
10	Sales to day care centers and nursery schools	*		
11	Sales to Community Action Agencies, Child Abuse Councils, & Child Advocacy organizations	\$500,000		
12	Sales by schools and school-sponsored organizations	\$500,000		
13	Sales to Monasteries and convents	*		
14	Sales to State chartered Credit Unions	*		
15	Meals and Lodging Provided to Employees	\$3,274,999		
16	Certain Aircraft Parts	*		
17	Personal Services	\$19,449,324		
18	Amusements and Recreational Services	\$54,692,595		
19	Consumer Purchases: Membership, social and miscellaneous services - Exclude charitable donations and labor unions from tax. ***	\$120,566,136		
20	Consumer Purchases of Transportation Services, but exclude publically owned transportation services. ***	\$21,197,209		
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22	Total Exemptions Accepted For Elimination	\$241,282,374		
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24	* - Value is minimal. *** Value is overstated as a result of reducing the number of factors that will be subject to the Sales Tax.			
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26	Additional Exemptions under Consideration for Elimination			
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29	Certain Telecommunications Services	\$24,108,396		
30	Sales of Certain Printed Materials	\$475,894		

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31	Consumer Purchases of Business & Legal Services	\$23,786,254		
32	Business Purchases of Transportation Services	\$103,418,569		
33	Business Purchases of Other Miscellaneous Services and Memberships	\$26,972,392		
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35	Total Biennial Value of Exemptions Under Consideration	\$178,761,505		
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37	Doubling the tax paid by beer & wine distributors	\$8,033,652		
38	Tripling the tax paid by beer and wine distributors	\$17,332,943		
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40	Increase the Meals and Lodging Tax from 7% to 8%	\$22,340,000		
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46	Definitions			
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48	Certain Telecommunications Services. Currently, only intrastate telephone calls are taxed. Consumers and businesses are not taxed for interstate calls . Businesses such as L.L. Bean and MBNA are the largest beneficiaries of this tax exemption. The cost of the business exemption is \$5.2 million annually, and the cost of the consumers tax exemption is \$7.9 million annually.			
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51	Sales of Certain Printed Materials. This recently enacted tax exemption is the result of requests from in-state printers who sought an exemption from the sales tax on printed catalogues and other materials in order to capture the business of in-state companies that sell primarily to customers out-of-state. Currently, any catalogues or other advertising sold in Maine are subject to the sales tax.			
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53	Consumer Purchases of Business and Legal Services. Currently, consumer purchases of accounting, bookkeeping, tax preparation, and legal services are not subject to the sales tax . Most of the cost of this tax exemption is associated with the exemption afforded to legal services.			
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55	Business Purchases of Transportation Services. Currently, business purchases of airline, bus, rail, and taxicab services, and transportation shipping costs are exempt from the Sales Tax. A very significant portion of the cost of this exemption is attributable to the trucking industry that ships products or provides services to customers. The portion attributable to employee travel and business officials' travel is roughly \$7 million annually.			
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57	Business Purchases of Other Miscellaneous Services and Memberships. Currently, social services purchased by businesses, such as job training, child care, educational tuition, medical services, etc., are exempt from the Sales Tax. In addition, business memberships in golf clubs and other recreational facilities, memberships in professional organizations, and entertainment expenses are not subject to the sales tax. Exemption of memberships and entertainment costs \$2.3 million each year.			